



## 2. UNDERSTAND

### 2.5 Self Assessment



## 2.5.1 Business Model Circularity Diagnostic



### DESCRIPTION

The Business Model Circularity Diagnostic Tool was developed for the methodology based on research conducted on methods for assessing circularity at product, business model, and system-level, as they relate to the conceptualisation of CEBMs (several product metrics were drawn from and validated by C2C Institute's methodology). This tool forces you to look at your current model through a circular lens. Where you may have previously been less aware – this allows you to assess and identify aspects of your current business model that already possess circular-centric strengths that can be leveraged during the innovate stage (**See stage 3.2.2**) and helps focus your mindset on the shift from linear to circular.

### STEPS

Noting the key at the top of the spreadsheet, record the following on the linear to circular scale of 1-5, beside each of the: Product, Business Model and System elements. If it's below 3, you are tending towards a linear model. If it's above 3, you are tending towards a circular model. If the particular factor is not applicable to you, put a cross under 'NA':

1. Record the **'S'** ( – Status today) on the range of 1-5 based on where your organization is today.
2. Record the **'O'** ( – Objective) on the range of 1-5 based on where you would like to be within 3 years.
3. Review your answers. Ideally, your 'objective' should be (at worst) the same as 'status today' or one or more steps towards becoming more circular.

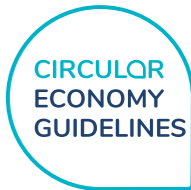
### OUTPUT

- Overview of where there are elements of your current business model that are already leaning towards circular, that can be leveraged during your transition journey.
- Encourages you to consider which aspects of your business you would like to improve through circularity and acts as a record of that.



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PRINT A3

S = STATUS TODAY  
O = OBJECTIVE WITHIN 3 YRS

### LEGEND

#### Circular Economy Business Model Pattern

- Circular sourcing
- Re-condition
- Re-make
- Access
- Performance
- Co-product
- Resource recovery

#### Operating model

- Key Partners
- Key Activities
- Key Resource

#### Value Proposition

- ▲ Value Proposition

#### Customer Interface

- ▲ Customer Relationship
- ▲ Channels
- ▲ Customer Segment

#### Financial

- ▲ Cost Structure
- ▲ Revenue Streams

\* Full Shape - Priority business model element.

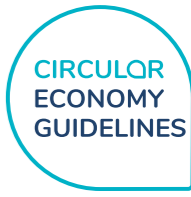
\*\* Half Shape - Other relevant business model element

		S = STATUS TODAY O = OBJECTIVE WITHIN 3 YRS							
		NA	1	2	3	4	5		
		TENDING TOWARD LINEAR MODEL						TENDING TOWARDS CIRCULAR MODEL	
PRODUCT	1	We have not characterised the identity of our products in terms of generic materials (e.g., aluminum, polyethylene, steel etc.)						The product is 100% characterized by its generic materials (e.g., aluminum, polyethylene, steel etc.) and/or product categories and names (e.g., coatings, paints, detergents, seating furniture).	
	2	We have not assessed the chemical composition of materials (recycled materials included) used within our product.						We have fully assessed the chemical composition of all materials (recycled materials included) used within our product.	
	3	We do not seek to use recycled materials in our product						We maximise the use of recycled materials from pre- or post consumer waste in our product and source these from outside of the manufacturer's facility.	
	4	We do not seek to use third party co-product or waste streams as an input to our own production						We maximise the use of third party co-product or waste streams as an input to our own production	
	5	We do not seek to use remanufactured, refurbished, or repaired parts and components within our products						We maximise the use of remanufactured, refurbished, or repaired parts and components within our products	
	6	We do not seek to use rapidly renewable materials in our product						We maximise use of rapidly renewable* materials in our product	
	7	We do not seek to use compostable/biodegradable materials in our product						We maximise use of materials in our product that are commonly known to biodegrade or are able to undergo biological decomposition	
	8	We do not consider the 'recyclability' of materials used in our products						We only use materials in our products that are proven to be technically and economically recyclable (e.g. non-toxic, separatable into material streams, etc.)	
	9	Planned obsolescence is built into product design						Product is designed for durability	
	10	Product technical lifetime is below industry average						Product technical lifetime is above industry average	
	11	Product functional lifetime is below industry average						Product functional lifetime is above industry average	



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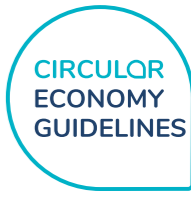
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PRODUCT	12	Product warranty period is below industry average						Product warranty period is above industry average	<span style="color: #FF8C00;">■</span> <span style="color: #00CED1;">●</span> <span style="color: #FF0000;">▲</span> <span style="color: #0000FF;">▲</span>		
	13	Product is not designed for disassembly to enable component/material recovery or reuse; nor is it biodegradable						Product is designed to be economically disassembled enabling component/material recovery or reuse; OR is biodegradable with no further intervention needed to reclaim the nutrients	<span style="color: #FF8C00;">■</span> <span style="color: #9ACD32;">■</span> <span style="color: #000000;">■</span> <span style="color: #00CED1;">●</span> <span style="color: #FF0000;">▲</span> <span style="color: #0000FF;">▲</span>		
	14	Product is not designed with the intention to return to a 'technical' or 'biological' cycle, nor is there a defined plan for product recovery and reutilization.						Product designed to return to a 'technical' or 'biological' cycle, and a plan for product recovery and reutilization is defined.	<span style="color: #FF8C00;">■</span> <span style="color: #9ACD32;">■</span> <span style="color: #000000;">■</span>		
	15	Product is not designed to be repairable						Product designed to be economically repairable (by user or third party)	<span style="color: #FF8C00;">■</span> <span style="color: #90EE90;">●</span> <span style="color: #00CED1;">●</span> <span style="color: #FF0000;">▲</span> <span style="color: #0000FF;">▲</span> <span style="color: #6495ED;">▲</span>		
	16	Product not designed to be upgradable						Product designed to be upgradeable, adapting to changing customer needs (e.g. by being modular, via software upgrades, etc.)	<span style="color: #FF8C00;">■</span> <span style="color: #00CED1;">●</span> <span style="color: #FF0000;">▲</span> <span style="color: #6495ED;">▲</span>		
BUSINESS MODEL	17	Re-manufacturing is not taken into account in product design						Product is designed to be economically re-manufactured	<span style="color: #9ACD32;">■</span> <span style="color: #00CED1;">●</span> <span style="color: #FF0000;">▲</span> <span style="color: #9ACD32;">▲</span> <span style="color: #FF8C00;">▲</span> <span style="color: #0000FF;">▲</span> <span style="color: #6495ED;">▲</span>		
	18	Revenue driven mainly by asset sale						Revenue driven mainly by monetising usage and/or performance of asset	<span style="color: #4682B4;">■</span> <span style="color: #FFD700;">■</span> <span style="color: #FF0000;">▲</span> <span style="color: #6495ED;">▲</span>		
	19	Value exchange mainly focused on driving a product sale transaction (e.g. competitive price)						Value exchange focuses on customer lifetime benefit (including reducing/controlling cost of ownership; asset performance)	<span style="color: #4682B4;">■</span> <span style="color: #FFD700;">■</span> <span style="color: #FF0000;">▲</span> <span style="color: #6495ED;">▲</span>		
	20	Value proposition focuses on the product						Value proposition is positioned as a service (including product/service bundle)	<span style="color: #4682B4;">■</span> <span style="color: #FFD700;">■</span> <span style="color: #00CED1;">●</span> <span style="color: #FF0000;">▲</span> <span style="color: #000000;">▲</span>		
	21	Value proposition does not include maintenance or other value-added services						Value proposition includes bundled maintenance or other value-added services	<span style="color: #FFD700;">■</span> <span style="color: #90EE90;">●</span> <span style="color: #00CED1;">●</span> <span style="color: #FFD700;">●</span> <span style="color: #FF0000;">▲</span> <span style="color: #0000FF;">▲</span> <span style="color: #6495ED;">▲</span>		
	22	We do not seek to reuse and put back into our production the co-products or waste streams from our operations.						We maximise the reuse of co-products or waste streams from our operations, putting them back into our production.	<span style="color: #00CED1;">■</span> <span style="color: #00CED1;">●</span> <span style="color: #FFD700;">●</span> <span style="color: #FF0000;">▲</span> <span style="color: #0000FF;">▲</span>		





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SYSTEM	23	Repair services and availability of spare parts are not actively established						Repair service network and spare parts are actively established in the market	
	24	Re-manufacturing services not actively established in market						Re-manufacturing services actively established in market (own, or third party)	
	25	We do not seek to reuse co-products or waste streams from our operations as an input to third party production (e.g. through direct or indirect supply relationships)						We maximise the reuse of co-products or waste streams from our operations by supplying them to third parties as an input into their production (e.g. through direct or indirect supply relationships)	
	26	We do not have in place a take-back or recovery scheme for our products at end-of-life (own or via a third party)						We have in place a take-back or recovery scheme that fully covers all our products at end-of-life (own or via a third party, e.g. EPR arrangement)	
	27	We do not have in place a take-back or recovery scheme for components our products at end-of-life (own or via a third party)						We have in place a take-back or recovery scheme that fully covers all components from our products at end-of-life (own or via a third party)	
	28	We do not have in place a recycling arrangement for materials within our products at end-of-life (own or via a third party)						A recycling infrastructure is widely available for this type of product, and the material is already commonly recycled in practice with no special disassembly required	
	29	We do not provide incentives to return our product at end-of-life						We provides incentives to return our product at end-of-life (e.g. deposit, exchange, cash)	
	30	We have no visibility on the actual effectiveness of our product take-back at end-of-life						We have full visibility on the actual effectiveness of our product take-back at end-of-life	
	31	We have no visibility on the destination of our products taken back at end-of-life						We have full visibility on the destination of our products taken back at end-of-life	
	32	We have no visibility on the actual effectiveness of material recycling from our products recovered at end-of-life						We have full visibility on the actual effectiveness of material recycling from our products recovered at end-of-life	
33	We have no visibility on the destination of materials recycled from our products at end-of-life						We have full visibility on the destination of materials recycled from our products at end-of-life		